

February 3, 1988

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VISA03711

VISA U.S.A. INC.

MEETING OF THE EXECUTIVE/PLANNING COMMITTEE
OF THE BOARD OF DIRECTORS

February 3, 1988

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MEETING OF THE EXECUTIVE/PLANNING COMMITTEE
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A special meeting of the Executive/Planning Committee of the Board of Directors of Visa U.S.A. was held at The Regent Hotel, Sydney, Australia on February 3, 1988 at 8:30 a.m. All the Committee members were present, except Messrs. G. Lee Griffin and Frederick S. Hammer. Visa staff present were Roger L. Peirce, B. Ray Traweek, and Bennett R. Katz, who acted as Secretary.

103. SMART CARD COOPERATION

The Committee reviewed the preliminary findings of Booz Allen regarding smart card technology. Based on their conclusions that it is premature for the bank card industry to deploy smart card technology, the Committee agreed that MasterCard should be advised that Visa sees no reason to continue any joint efforts at this time; however, Visa will remain open to any suggestions for future cooperation when it appears to be in the best interest of the bank card industry.

104. COEXISTENCE

The Committee was advised that under the Entree agreement, Visa and MasterCard are required to continue to study the issue of cooperation, with a report due in November 1988. The recommendation of that study would be binding on both Visa and MasterCard. The cost of that study has been

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quoted at approximately \$1 million. Since there have been few, if any, Classic debit cards issued with the Entree mark, it was the consensus of the Committee that a \$1 million expenditure would be most wasteful. Therefore, the Committee suggested that MasterCard be requested to dispense with the study and allow cooperation based on the last recommendation of Booz Allen. If MasterCard does not agree, Visa will be prepared to go forward with the study.

105. CIRRUS AND PLUS MARKS ON ATMS

The Committee was advised that there appears to be strong interest to permit cooperation of the Cirrus and Plus marks on ATMs. As a result, the Plus Board recently decided to allow the Cirrus mark to appear on ATMs which display the Plus mark if reciprocity can be arranged. It was the consensus of the Committee that Visa request MasterCard to eliminate the prohibition against Cirrus and Plus appearing on the same ATM.

The Committee recommended that a joint meeting between Russell, Potts, Hogg, and Ziegler be arranged.

There being no further business, the meeting was adjourned.


Bennett R. Katz, Secretary

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